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TO RUEHC/SECSTATE WASHDC 8463  
INFO RUEHAC/AMEMBASSY ASUNCION 5689  
RUEHBO/AMEMBASSY BOGOTA 2956  
RUEHBR/AMEMBASSY BRASILIA 6838  
RUEHBU/AMEMBASSY BUENOS AIRES 4068  
RUEHCV/AMEMBASSY CARACAS 1389  
RUEHPE/AMEMBASSY LIMA 1307  
RUEHME/AMEMBASSY MEXICO 1671  
RUEHMN/AMEMBASSY MONTEVIDEO 3639  
RUEHQT/AMEMBASSY QUITO 4031  
RUEHSG/AMEMBASSY SANTIAGO 8550  
RUCPDO/DEPT OF COMMERCE WASHINGTON DC  
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UNCLAS LA PAZ 000726

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STATE FOR WHA/AND LPETRONI  
COMMERCE FOR JANGLIN  
TREASURY FOR SGOOCH  
STATE PASS TO USTR FOR BHARMAN

E.O. 12958: N/A  
TAGS: [ETRD](#) [EINV](#) [ECON](#) [PREL](#) [PGOV](#) [BL](#)  
SUBJECT: MORALES VOWS NEVER TO NEGOTIATE AN FTA

REF: A. LA PAZ 712

[1](#)B. LA PAZ 691

[1](#)1. (U) Summary: President Evo Morales vowed March 15 never to negotiate a "free trade agreement," proposing instead a People's Trade Agreement to benefit Bolivian small producers (ref A). Business representatives reacted strongly, declaring Morales' announcement "a shame" and reiterating demands for a comprehensive pact. End summary.

[1](#)2. (U) In a March 15 media appearance, President Evo Morales vowed never to negotiate a "free trade agreement" with the United States, proposing instead a People's Trade Agreement, or Tratado de Comercio de los Pueblos, to benefit Bolivian small producers (ref A). Vice President Alvaro Garcia Linera later clarified the statement, saying Morales proposed an alternative agreement "as part of (an ongoing) debate, without closing options," but declined to explain how a new arrangement would protect the interests of microenterprises, cooperatives, and other groups.

[1](#)3. (U) Business representatives reacted strongly to Morales' statement. Marcos Iberkleid, President of Ametex, Bolivia's leading apparel manufacturer and largest private employer, called the president's announcement "a shame" and reiterated the private sector's demand for a comprehensive pact. He said he was frustrated by the GOB's "double talk" - Morales recently told business representatives he was open to a free trade agreement (ref B) - and lack of coherent policy. He and other exporters are increasingly pessimistic about their chances of convincing the GOB to pursue a broad agreement and note that recent conversations with GOB officials have generated few results.

[1](#)4. (SBU) Comment: Morales' proposal is more than semantics and posturing. It is increasingly clear that he is looking for a way to cut through the polemics surrounding "free trade" to work toward some kind of job-creating, export-focused pact that does not create instant populist

opposition. Morales is on a learning curve; this new spin is  
a tentative step forward. End comment.  
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